

That will be one of my recommendations. I do that simply because I want us to be certain beyond the first 5 years that we maintain the fiscal discipline that I think is commendable and I think is necessary.

We have, I think, achieved some things together in this Congress with a budget agreement, one which I voted for. I do not want to blow that apart in the sixth, seventh or eighth years out believing then, well, we balanced the budget for 5 years and then all of a sudden the budget is out of balance and in a deficit condition once again.

So I send this motion to refer to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the motion to refer.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] moves to refer the bill, S. 949, to the Committee on the Budget, with instructions to report the bill back to the Senate within 3 calendar days of session with an amendment providing for a mechanism to sunset temporarily Sections 301, 302, 304 and 311 of the bill in any fiscal year after fiscal year 2002, if (1) the Congressional Budget Office reports that the revenues lost due to the bill have exceeded the budget agreement's restrictions on tax cuts and (2) the Department of the Treasury reports that there has been a deficit in the previous fiscal year.

Mr. DORGAN. Next, Madam President and the chairman of the committee, I intend to offer three amendments that are relatively small, targeted amendments that deal with the issue of disasters, natural disasters. Most of us recognize that we have spent a lot of time talking about disaster relief and issues affecting people dealing with flood disasters, earthquake disasters, tornadoes and fires and so on.

We had a circumstance in our region of the country where the Red River had a massive flood, a 500-year flood. We had 90 percent of a community of 50,000 people who were displaced out of their homes, many hundreds of those homes—nearly 1,000 homes—have been totally and permanently destroyed.

In many of those cases, all of their records were destroyed as well. People left with a half hour's notice and only the clothes they were wearing and lost everything. The Internal Revenue Service knowing that this happened the first week or so of April, second week of April, they said, "We will allow an extension to file income tax returns." It is pretty clear people fleeing a flood and who have lost everything, including all of their records, will not be able to file tax returns on April 15.

So the Internal Revenue Service said they would extend the tax filing deadline. I appreciate that. And it made a lot of sense because hundreds of those people, thousands of those people could not have complied, people in South Dakota, Minnesota, and North Dakota. The IRS said, "We will consider a tax return timely filed if it's filed by the end of May." Then as this flood continued, they moved it to August, and that is where it is.

The IRS said to those victims of that disaster, "If you file by that date, there will be no penalty because we have moved the filing date," recognizing you could not possibly comply. But then the IRS said, "But you are going to have to pay interest because we don't have the authority to waive the interest." The disaster victims have asked the question, "Well, if it is considered timely filed, why are we being charged interest?" And the Internal Revenue Service said, "Well, you're being charged interest because we don't have the capability of waiving it."

The Treasury Secretary said he is sympathetic to my amendment, he will support it. I have talked to the majority on this, and I hope this will be one that—it will have an almost insignificant revenue consequence, but just makes sense. It gives the IRS the authority clearly to do what it wants to do and should do but does not now have the authority to do.

Madam President, I ask unanimous consent to set aside the motion to refer.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 515

(Purpose: To authorize the Secretary of the Treasury to abate the accrual of interest on income tax underpayments by taxpayers located in Presidentially declared disaster areas if the Secretary extends the time for filing returns and payment of tax (and waives any penalties relating to the failure to so file or so pay) for such taxpayers)

Mr. DORGAN. I offer the amendment and send it to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 515.

Mr. DORGAN. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 211, between lines 5 and 6, insert the following:

SECTION 724. ABATEMENT OF INTEREST ON UNDERPAYMENTS BY TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS.

(a) IN GENERAL.—Section 6404 (relating to abatements) is amended by adding at the end the following:

"(h) ABATEMENT OF INTEREST ON UNDERPAYMENTS BY TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS.—

"(1) IN GENERAL.—If the Secretary extends for any period the time for filing income tax returns under section 6081 and the time for paying income tax with respect to such returns under section 6161 (and waives any penalties relating to the failure to so file or so pay) for any taxpayer located in a Presidentially declared disaster area, the Secretary shall abate for such period the assessment of any interest prescribed under section 6601 on such income tax.

"(2) PRESIDENTIALLY DECLARED DISASTER AREA.—For purposes of paragraph (1), the

term 'Presidentially declared disaster area' means, with respect to any taxpayer, any area which the President has determined warrants assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters declared after December 31, 1996.

Mr. DORGAN. Madam President, I will be brief on the next two amendments. They relate to the same issues. As I indicated, the first dealt with the waiver of interest, which I hope we can do. It will have almost insignificant consequence, but will be significant to the disaster's victims.

The others, I have been visiting with the staff of the majority and the minority and other Members.

One deals with the question of the use of IRAs by victims of the disaster who now find themselves with a need to invest in their home to repair it, but they do not have any money except that which is in an IRA, or the need to invest in a business that has been destroyed, and they have no resources except that which is in an IRA. I hope with the chairman that we can find a way to provide that opportunity. I am happy to provide a reasonable limit on it.

I offer the amendment and hope we can visit about it in the ensuing hours prior to this bill's conclusion.

Let me offer that amendment.

AMENDMENT NO. 516

(Purpose: To provide tax relief for taxpayers located in Presidentially declared disaster areas, and for other purposes)

Mr. DORGAN. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the previous amendment will be set aside.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 516.

Mr. DORGAN. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 211, between lines 5 and 6, insert the following:

SEC. 724. DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS MAY BE USED WITHOUT PENALTY TO REPLACE OR REPAIR PROPERTY DAMAGED IN PRESIDENTIALLY DECLARED DISASTER AREAS.

(a) IN GENERAL.—Section 72(t)(2) (relating to exceptions to 10-percent additional tax on early distributions), as amended by sections 203 and 303, is amended by adding at the end the following new subparagraph:

"(G) DISTRIBUTIONS FOR DISASTER-RELATED EXPENSES.—Distributions from an individual retirement plan which are qualified disaster-related distributions."

(b) QUALIFIED DISASTER-RELATED DISTRIBUTIONS.—Section 72(t), as amended by sections 203 and 303, is amended by adding at the end the following new paragraph:

"(9) QUALIFIED DISASTER-RELATED DISTRIBUTIONS.—For purposes of paragraph (2)(E)—